

**CYPRESS POINT ABC
STRATA PLAN NW2050**

Shared Facilities Meeting
Wednesday, March 11, 2009

- 1. PRESENT:** Tom Hargraves Geraldine Svisdahl
 Cathy Silverman Linde Schoeppe
 Carol Thompson

Invited but not present: Gordon Farrell Diana Luca Gail Brown

2. CALL TO ORDER: 7:05 PM

The meeting consisted of a presentation by Tom Hargraves of two proposals:

1. Shared Facilities Way Forward - Pool Management Proposal
2. Shared Facilities Way Forward - Capital Expenses Proposal

No feedback regarding the proposals was offered after their presentation, and the proposals were taken away for consideration.

3. MEETING ADJOURNED: 7:30pm

4. NEXT MEETING: To be decided, depending on response from Woodridge.

The two proposals are attached.

Shared Facilities Way Forward – Pool Management Proposal

Approved by Cypress Point ABC Strata Council

STRATA PLAN NW2050

11th March 2009

Summary:

The Management of the Shared Facilities has been difficult for some time. Disputes have arisen over management methods, items charged against the Shared Facilities Budget, and the setting of the budgets.

This document describes a proposal to provide a way forward and hopefully result in a better understanding between the shared facility partners, and an end to email hostilities.

It is hoped the proposal will be adopted as the way forward for the SF Partnership.

Proposal:

For the calendar year 2010, Woodridge Strata Council will be fully responsible for the running of the Outdoor Pool area. This includes setting and approving the budget for 2010, pool grounds maintenance, health and safety approval, day to day management, security, and response to Pool User complaints.

Woodridge shall have full responsibility for 'all things pool'.

The responsibility shall revert to Cypress ABC in 2011.

In October 2010, a Shared Facilities meeting shall review the Pool Operation for 2010 and decide whether to repeat the Woodridge running of the Pool in 2012, and bi-annually thereafter.

End Summary

Proposal - 2010 SF Pool Management

The intention of this proposal is to foster a better appreciation by the SF Partners for the Management of the SF Pool. Staff employed by Woodridge, have skills regarding the operation of bathing facilities, already managing two hot-tubs on behalf of the shared facilities. The pool area is partially 'Woodridge Property'.

'The Agreement' relating to the 2010 SF Pool Management:

Before the end of October 2009, Cypress Point ABC shall, free of charge:

1. Provide contact details of SF Pool contractors currently in use.
2. Respond to any questions regarding current pool management.
3. At an agreed time, meet with Woodridge representatives in the pool area and demonstrate the current working practices relating to the pool area.
4. Remove transferred SF Pool related costs from their 2010 SF budget.

After end of October 2009 until end of October 2010, Cypress Point ABC shall:

1. Manage the pool FOB system, as per Woodridge instructions, free of charge.
2. Provide necessary keys required to manage the pool, free of charge.
3. Transfer directly, and without comment, any correspondence regarding the pool to Woodridge.
4. Advise Woodridge of pool utility bills and pay them on behalf of Woodridge on receipt of money from the Woodridge SF Pool Budget.
5. Provide a consultancy service regarding pool management at a cost of \$50 per hour or \$50 per phone call.
6. Pay their share, on a per-unit basis, of the SF Pool Budget approved by Woodridge Owners.

By the end of Oct 2009, Woodridge shall:

7. Familiarize themselves with the current SF Pool working practices, taking advantage of the free help and advice offered by Cypress ABC.
8. Create and use a separate fund specifically for the SF Pool, managed by Wynford Group, to financial standards governed by the Strata Property Act.
9. Set an accurate budget for the SF Pool for 2010, and approve it formally via a Special General Meeting of Woodridge Owners.
10. Provide the SF Partners with the approved budget.

From end October 2009 to end October 2010, Woodridge shall:

1. Be fully responsible for the running of the SF Pool.
2. Prepare the SF Pool for opening in May, including retrieving loungers from storage, planting flowers etc., as per current practice.
3. Maintain the pool grounds to 2009 standards or better.
4. Obtain Health and Safety approval for the opening of the pool in May.
5. Maintain the pool to the required Health and Safety Standards.
6. Pay all bills arising from the SF Pool operation.
7. Provide receipts and/or invoices for all pool expenses to the SF partners.
8. Ensure the safety and security of the SF Pool area.
9. Provide contacts for user queries and safety and security concerns.
10. Respond to any complaints regarding the Pool in a timely manner.
11. Ensure the Pool Rules and Regulations are enforced.
12. Close down the pool in September.
13. Winterize the Pool area, including the repair and/or replacement of pool loungers, and store for the winter, before the end of October 2010.

At the end of October 2010, the SF Committee shall:

1. Hold a meeting to review the management of the SF Pool during 2010.
2. Decide when Woodridge should manage the pool again.
3. Should the meeting votes be split, Cypress Point D shall have the casting vote.

Appendices

Appendix 1 - The Pool Rules

Can be found here:

<http://www3.telus.net/public/NW2050/>

under 'Swimming Pool'

Shared Facilities Way Forward – Capital Expenses Proposal

Approved by Cypress Point ABC Strata Council

STRATA PLAN NW2050

11th March 2009

Summary:

The Management of the Shared Facilities has been difficult for some time. Disputes have arisen over management methods, items charged against the Shared Facilities Budget, and the setting of the budgets.

Despite sharing capital costs of the shared facilities since their creation, Woodridge and Ashford insist that capital items no longer be shared. This would leave Cypress ABC solely responsible for the replacement and upgrading of some 80% of the Shared Facilities. Cypress ABC believes this was never the intent of the Shared Facility Agreement.

This document describes a proposal to provide a way forward and it is hoped it will be adopted as the way forward for the SF Partnership.

Proposal:

Cypress Point ABC Capital Costs shall no longer be charged to the SF Budget.

Cypress Point ABC shall purchase capital items.

Cypress ABC shall recover these costs by applying a 'Cypress Use Fee', as allowed by the 1988 Shared Facilities Agreement.

The Cypress Use Fee shall be the depreciation of the capital items, typically over 7 years, plus the cost of financing the capital items over this period.

End Summary.

Capital Costs versus Operating Costs.

Since the advent of the Shared Facilities, costs have been shared. This includes costs classed as 'Capital Costs'. Some of the many such examples are:

1. The purchase of the Woodridge SF indoor hot tubs (see Appendix 1).
2. The refurbishment of the Woodridge SF Changing Rooms (see Appendix 2).

Recently, after long protracted debate, Woodridge and Ashford have refused to pay for Cypress ABC 'capital costs' (see Appendix 3).

This leaves Cypress ABC with a funding shortfall in financing its SF commitments.

Cypress ABC believe that it was never the intent that one of the partners would be liable for the all the capital costs of the facilities it 'owns'. However, one could read sections of the 1988 Shared Facilities Agreement and be misled (See Appendix 4). Note also that the 1988 Shared Facility Agreement pre-dates the current Strata Property Act, and has not been revised to make provision for the act.

There also exists in the agreement the definition of a 'Cypress Use Fee' (See Appendix 5). This has never been applied. It has never needed to be. All costs have always been shared by all the SF partners. Since Woodridge and Ashford now refuse to pay Cypress ABC capital costs, Cypress ABC shall recover these costs by applying a 'Cypress Use Fee' for the use of the capital items it provides.

The 'Cypress Use Fee' shall be shared by all owners using the agreed per-unit basis. The 'Cypress Use Fee' shall be the actual costs of providing the Cypress ABC SF Capital Equipment, expensed into the operating budget.

Please note that Cypress ABC do not require Woodridge to apply a 'Use Fee'. Cypress Point ABC are happy to continue to share all valid SF costs, provided that they are approved by the Woodridge owners, by formal vote at an Annual General Meeting or Special General Meeting, as per the Strata Property Act.

Proposal

1. The Cypress Point ABC Capital Costs shall no longer be shared between the SF Partners. Cypress Point ABC shall purchase its capital items.
2. Cypress ABC shall recover these capital costs by charging a 'Cypress Use Fee' for SF Capital Items, as allowed by the 1988 Shared Facilities Agreement (see Appendix 5)
3. The 'Cypress Use Fee' of purchased items shall be the depreciation of the capital items according to the business standard 'MACRS system' detailed in Appendix 6.
4. The 'Cypress Use Fee' shall also include interest on loans used to purchase the capital items
5. The 'Cypress Use Fee' shall be the capital equipment leasing costs, if a lease method of payment is chosen.

Appendices

Appendix 1 - The purchase of the Woodridge SF indoor hot tubs

Back in 1999 the purchase of two replacement indoor spa's was shared between the shared facility partners (see next page).

Council felt this work should be carried out and that from a cost and efficiency point of view it was prudent to replace both spas. Due to the age of the plumbing it is likely other leaks might occur in the future. So as to reduce costs in the future, Council requested that reinstallation work on the spas allow for maintenance access to plumbing without having to jack-hammer the floor out. BMS to pursue a reinstallation configuration providing maintenance access to plumbing, pricing, and bring forward to the other Councils.

MOVED by Erik Knudsen **SECONDED** by Wes Kroeker that approval be granted to expend the necessary funds to repair the leak and replace the two spas in the 7451 exercise room. Such expenditure is to be made from the Pavilion and Grounds and will also be approved by the other Strata Councils.

MOTION CARRIED UNANIMOUSLY




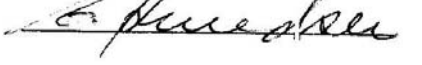
NEW BUSINESS

No specific new business. Some items were brought forward by Council and are minuted under Building Update.

NEXT MEETING DATE

Date: Tuesday April 6, 1999
Time: 7:00 p.m.
Place: Pavilion Lounge

There being no further business, it was **MOVED** to adjourn the meeting at 9:12 p.m.

Council reminds owners that any complaints and/or requests being made must be in writing and sent to the Strata Council c/o Susan Williams at Brookfield; #1000-1050 West Pender Street, Vancouver, B.C. V7E 3S7 fax. 669-4558 and telephone 669-1050.

MINUTES OF A COUNCIL MEETING OF CYPRESS POINT ABC - STRATA PLAN NW2050 HELD TUESDAY, MARCH 2, 1999 IN THE PAVILION LOUNGE AT 7531 MINORU BLVD., RICHMOND, BRITISH COLUMBIA.

Appendix 2 - Refurbishment of the Woodridge SF Changing Rooms

In 2002/2003 the Woodridge changing rooms were totally gutted and refurbished.

Costs for doing this work were charged against the Shared Facility budget, paid for by the Shared Facility partners.

Although Woodridge used their own staff and residents to perform some of the work to refurbish their changing rooms, these personnel charged their time to the Shared Facility budget.

Many capital items including a shower were also charged to the shared facilities budget. Some invoices and a Journal Entry Record are included below. There are more.

Journal Entry Register
4083 - SHARED FACILITIES WOODRIDGE

Page 1
2/24/2004
03:51 PM

Batch#	Reference Source	Date Post Mo	Book	Ppty Code	Account	Name	Notes	Debit	Credit
33	SHARED FACILITIES WOODRIDGE								
39614	Monthly	12/01/03	Both		1100	Bank - Vancity Savin	Monthly Transfer per Budget	1,968.17	
					4160	Contribution - NW19	Monthly Transfer per Budget		1,353.75
					4170	Contribution - NW18	Monthly Transfer per Budget		614.42
							To Transfer Cost		
39653	Monthly	12/01/03	Both		1100	Bank - Vancity Savin	Monthly Contribution NW2050	1,017.67	
	:Recur 322	12/03			4180	Contribution - NW20	Monthly Contribution NW2050		1,017.67
							Set Monthly Share		
39654	Monthly	12/01/03	Both		1819	Due from Cypress D	Monthly Contribution NW2050	480.08	
	:Recur 323	12/03			4190	Contribution - Cypre	Monthly Contribution NW2050		480.08
							Set Monthly Share		
39710	Monthly	12/01/03	Both		5150	Insurance Expense	Insurance cost paid to Strata	200.00	
	:Recur 422	12/03			1100	Bank - Vancity Savin	Insurance cost paid to Strata		200.00
							Insurance cost paid		
39732	Monthly	12/01/03	Both		3100	Operating Fund-Pas	Journal As Per Budget		510.75
	:Recur 461	12/03			5878	Prior Year's Deficit	Journal As Per Budget	510.75	
							Journal As Per		
39744	Monthly	12/01/03	Both		1100	Bank - Vancity Savin	Spa Testing Labour NW 1942		450.62
	:Recur 476	12/03			5805	Maintenance/Salarie	Spa Testing Labour NW 1942	450.62	
					1100	Bank - Vancity Savin	Spa Testing Labour NW 1868		204.55
					5805	Maintenance/Salarie	Spa Testing Labour NW 1868	204.55	
							To Allocate Labour		
39921	BanRec	12/01/03	Both		1100	Bank - Vancity Savin	VanCity interest-current mnth	15.77	
					4200	Interest Income	VanCity interest-current mnth		15.77
							VanCity		
40948	Labour	12/31/03	Both		5877	Mens Changing Roo	Men's changing room cost	934.90	
	JE	12/03			2745	Due to NW 1942 -	Men's changing room cost		934.90
							Men's changing		
40949	Labour	12/31/03	Both		5877	Mens Changing Roo	Men's changing room cost	2,059.64	
	JE	12/03			2746	Due to NW 1868 - A	Men's changing room cost		2,059.64
							Men's changing		
40958	Y/E	12/31/03	Both		5310	BC Hydro Electricity	BC Hyd Dec3-31/03 electricity	843.58	
	JE	12/03			2540	Accrued Liabilities	BC Hyd Dec3-31/03 electricity		843.58
							Dec Y/E A/P		
40959	Re-code	12/31/03	Both		5815	General Maintenanc	Recode a/c #5805 to #5815	285.39	
	JE	12/03			5805	Maintenance/Salarie	Recode a/c #5805 to #5815		285.39
								8,971.12	8,971.12

see attached page

AGENDUM SERVICES
8180 Bowcock Rd.
Richmond, B.C. V6Y 1C2
271-1199
GST R108344094

RECEIVED JAN 13 2003

OUR NUMBER 573993
DATE DEC. 31/02
CUSTOMER'S ORDER 278985

(NW1942)
SOLD TO WOODRIDGE ESTATES
ADDRESS c/o THE WYNFORD GROUP

SHIP TO
ADDRESS

APPROVAL FOR EXPENSE
FILE NAME SHARED FACILITIES
No. 41083 T.O.
No. 5815

TAX REG. NO. SALESPERSON

FOR

TERMS Amount \$ 1011.15 DATE 11/7/03

INVOICE

QUANTITY	DESCRIPTION	APPROVED BY	PRICE	AMOUNT
	instal new shower stalls and board drywall ready for taping and finishing as directed by caretaker.			
	labour only 27 hrs @ \$35			945.00
	GST			66.15
	PAID FEB 07 2003			1011.15
	Year End			

BlueLine DC31

INSTAL SHOWERS + BOARD

Previously named:
Archer Water Services

STAN ARCHER
135-7451 MINDRY BLVD
RICHMOND BC V6Y1Z3

Phone: 687-1985 Pager: 7742
604-278-8866
IN ACCOUNT WITH WOODRIDGE

TERMS

DATE: 6/JAN 07

INVOICE # 2023

MENS SHOWER ROOM

Tape, full &

prime new

dry wall as directed

17 hrs @ 30"

material

510

63.54

ACC

\$ 573.54

Year
End.

APPROVAL FOR EXPENSE

DATE 12/17/06

No. 4083

T.O. 1

No. 5815

DATE 11/10/03

AMOUNT \$ 573.54

APPROVED BY [Signature]

PAID JAN 22 2007

POSTED
PCT 2667.00

2% interest charged per month on overdue accounts.

no P.O. issued.



Terms: Due 30 days net. A late payment charge of 1 1/2% per month (18% per year) is charged on past due invoices. Please refer to Account Agreement for details.

\$ 100200.001-001

STRATA PLAN NW IS68-ASHFO
C/O THE WYNFORD GROUP
202-5704 BALSOM ST
VANCOUVER, BC V6M 4B9

INVOICE

PLEASE PAY FROM INVOICE

Due Date: 01-01-03
Invoice Date: 12-02-02
Account#: 2703 002428 8
P.O. # / Job Name: 278540
Invoice #: 6021640
Buyer Name: PINKHAM DON
Store: 2944

SKU	Description	Quantity	Price	Ext Price
115029	4X8X 1/8 FIRE	16.00	9.90	158.40
430030	SHOWER DOOR	2.00	177.00	354.00
108913	SHWIR 32" WHT	1.00	395.00	395.00
515663	CURE DLVRY	1.00	50.00	50.00
108943	SHWIR DOME	1.00	149.00	149.00
405588	CORNERBEAD	4.00	1.97	7.88
123257	2"AB3 SHOWER	2.00	12.16	24.32
179915	6X1 5/8 CRS	1.00	7.74	7.74
181108	HALF BEAD D2	3.00	2.17	6.51

POSTED
12/12/02

RECEIVED DEC 9 9 2002

PAID DEC 19 2002

APPROVED FOR EXPENSE
FILE NAME: SHARED FACILITIES
No. 4083 T.O.
No. 5815
Amount \$ 1320.01 DATE 12/02/02
APPROVED BY: [Signature]

Subtotal: 1,152.85
PST 86.46
GST 80.70
Total: 1,320.01
Total Amt Outstanding: 1,320.01
Currency: Canadian Dollars

*****End of Invoice*****

Appendix 3 - Refusal to share Capital Costs

Many capital items have been purchased by Cypress ABC and charged to Shared Facilities, and their costs shared amicably. One very important purchase by Cypress ABC was the automatic chlorine system bought for the pool. This was crucial purchase for the safety of residents of all four Stratas. Cypress ABC bought a similar system for the outdoor spa in the pool area the next year and once again the cost was shared.

This year Cypress ABC received this letter from Woodridge, refusing to share costs in the approved Cypress ABC SF budget.

The Wynford Group
Airport Square, 815 - 1200 West 73rd Avenue, Vancouver, B.C., Canada V6P 6G5 +
604-261-0285 + FAX 604-261-9279

PROPERTY MANAGEMENT SERVICES

January 26, 2009

Strata plan NW 2050, Cypress Point

C/O Remax

#207 - 43 1 1 Viking Way

Richmond, B.C. V6V 2K9

Attention: Andrew Seaton

Dear Sirs:

Re: Strata Plan NW 1942, Woodridge Estates

NW 2050 Cypress Pointe - Shared Facilities

We write on behalf of the Council of Owners, Strata Plan NW 1942, Woodridge Estates, to advise the Council has only approved payment of the 2008 Cypress Pointe shared facilities for fiscal year 2009.

The Council does not approve your budgeting for an allocation to a contingency fund and believes the 2008 deficit to be mostly caused by expenses that are capital in nature and should be paid by NW 2050. As for your suggestion (in your letter of December 30th 2008) that the shared facilities partners meet again, there does not seem to be much point as the previous meeting held in the Cypress Pointe lounge did not produce any results due to, in no small part, the intransigence of the NW 2050 participants vis a vis capital expenses.

Yours truly,

THEWYNFORDGROUP

Managing Agents for

NW 1942, Woodridge Estates

Per: (Signature)

Elaine Wallace

Property Manager

CC: Council President

Council President NW 2050, Cypress Pointe

(S:\AA-ElaineWW 1942\CorrespV009\Cypress.2008 s to be paid in 2009.doc)

Appendix 4 - 1988 Shared Facilities Agreement 'Capital Costs'

There is a clause in the Shared Facility Agreement on page 5 that states:

"the Woodridge owners shall be responsible at their cost, to equip and maintain the Woodridge Facilities and to make repairs and replacements from time to time, provided always that no Woodridge Grantees shall have the right so require the repair or rebuilding of the Woodridge Facilities in the event of the destruction of Strata Corporation NW1942 pursuant to the provisions of the Act."

The same clause applies to Cypress on page 7.

Appendix 5 - 1988 Shared Facilities Agreement 'Cypress Use Fee'

The Cypress Use Fee is defined in the 1988 SF Agreement as follows. A similar clause exists for the other SF Partners.

10. In order to exercise the rights hereby granted to each Ashford Owner, such Ashford Owner must comply with all reasonable rules and regulations established by the Strata Committee from time to time for the use of the Cypress Facilities and must pay, on a monthly basis, a reasonable fee (herein called the "Cypress Use Fee") to the property manager appointed by the Cypress Owners from time to time.

The Cypress Use Fee shall be calculated and determined from time to time based upon the actual operating costs of the Cypress Facilities, with the aggregate of such costs being divided by the total number of strata lots in Strata Plan **NW1868**, Strata Plan NW1942, Strata Plan **NW2050** and Strata Plan **W2090**. The Cypress Owners, and adjusted **from** time to time to reflect variations in the operating costs of the Cypress Facilities.

Appendix 6 – ‘Cypress Use Fee’

Expensing depreciation of capital equipment is a generally accepted accounting principal (GAAP). It is listed as such in the Canadian GAAP and in the International Financial Reporting Standards (IFRS) which Canada is in the process of adopting.

Cypress Point ABC shall use the MACRS system to expense the capital depreciation into a new 'Cypress Use Fee' SF Budget title. In the MACRS System the Capital Costs recovery time for most of the Cypress ABC Capital Equipment is 7 years.

RECOVERY YEAR	7 YEAR PERCENTAGE RECOVERY
1	14.29
2	24.49
3	17.49
4	12.49
5	8.93
6	8.92
7	4.46

Various references and links are listed below.

http://en.wikipedia.org/wiki/MACRS#MACRS_Examples
http://en.wikipedia.org/wiki/U.S._generally_accepted_accounting_principles
http://en.wikipedia.org/wiki/Business_process_overhead

from the NY University: Applied Corporate Finance: A User's Manual
http://pages.stern.nyu.edu/~adamodar/New_Home_Page/AppldCF/derivn/ch5deriv.html

Operating versus Capital Expenditures

Accountants draw a distinction between expenditures that yield benefits only in the immediate period or periods (such as labor and material for a manufacturing firm) and those that yield benefits over multiple periods (such as land, buildings and long-lived plant). The former are called operating expenses and are subtracted from revenues in computing the accounting income, while the latter are capital expenditures and are not subtracted from revenues in the period that they are made. Instead, the expenditure is spread over multiple periods and deducted as an expense in each period - these expenses are called depreciation (if the asset is a tangible asset like a building) or amortization (if the asset is an intangible asset like a patent or a trade mark).